

and telecommunications. The Commission should develop strategies for making smart investments in technology to assure effective program delivery.

RECOMMENDATION 14: *Create and implement a strategic planning system that positions the State to evaluate current priorities and meet future demands.*

Planning and budgeting go hand in hand. Without an effective long-range plan, the State will be unable to determine current and emerging priorities and use its resources to address them.

RECENT STRATEGIC PLANNING EFFORTS	
OREGON	<ul style="list-style-type: none"> ■ 20 Year Strategic Plan ■ 12 Public Meetings ■ Benchmarks for Progress
MINNESOTA	<ul style="list-style-type: none"> ■ 30 Year Goals ■ 15 Public Meetings ■ Measurable Milestones
UTAH	<ul style="list-style-type: none"> ■ 20 Year Goals ■ Public Meetings ■ Measurable Benchmarks
TEXAS	<ul style="list-style-type: none"> ■ 6 Year Strategic Plan ■ Broad Goals ■ Integration of Planning, Budgeting, and Program Evaluation
NORTH CAROLINA	<ul style="list-style-type: none"> ■ 20 Year Strategic Plan ■ 12 Public Meetings ■ Benchmarks for Progress

(EXHIBIT 19)

The State's current planning process does not address the broader issues of State government. The absence of strategic, long-range planning limits the ability of the General Assembly and the Governor to govern with foresight, anticipate future events and make sound policy decisions. Implementing an effective strategic planning system will allow the State's legislative and executive branches to avoid a crisis-and-response pattern and to set the agenda for our future. We recommend that the General Assembly:

- Implement a strategic planning system that cuts across departmental lines, accounts for inter- and intra-departmental program requirements, and considers expenditure and revenue estimates. The key components of such a system are a vision statement with statewide goals, external and internal agency assessments of customer

"We must look long term to effectively plan for and manage the State's future."

Senator
Beverly M. Perdue
New Bern

"The program where I work is periodically reviewed, but nothing much changes. We just lurch along, simply reacting, rather than planning."

State Employee
Survey Response

needs, and an agency-level planning/budgeting document with performance measures and program evaluation requirements.

- Establish outcome measures for major State programs and require program evaluations when actual versus expected results suggest poor program performance.
- Develop program outcome indicators as part of the planning process. Use these indicators for ongoing program monitoring.

RECOMMENDATION 15: *Create a budget document and budget processes focused on results.*

The budget process should enable the General Assembly to determine the most effective use of State funds. To accomplish this, the State needs a budget that expresses agency and program needs accurately and allows legislators to evaluate and compare the merits of all proposed expenditures.

Despite its six volumes and 3,500 pages, the current budget document includes little information about whether or not a program is working. The line-item budget is weighted heavily toward inputs: individual line items and

The State needs a budget that expresses agency and program needs accurately and allows legislators to evaluate and compare the merits of all proposed expenditures.

OUTCOME MEASURES SHOW PROGRAM RESULTS	
RECOMMENDED MEASURES FOR MATERNAL AND CHILD HEALTH CARE:	
■ Infant Mortality Rate	
■ Low Birth-Weight Rates	
■ Teenage Pregnancy Rate	
■ Reported Cases of Preventable Diseases in Children	
■ Percentage of Low Birth-Weight Babies In Target Population	
■ Percentage of Teenage Pregnancies Among Those Participating In Educational or Training Programs	
■ Projected Low Birth-Weight Births Prevented	
■ Projected Infant Deaths Prevented	

(EXHIBIT 20)

Source: Government Accounting Standards Board

various “counts” of activity, such as numbers paroled, permitted, vaccinated, incorporated, incarcerated, graduated and so on. The difference all this activity makes—or how it relates to the State’s strategic goals—is difficult to find. The process further limits comparisons among programs by

distinguishing continuation (existing priorities) and expansion (new or emerging priorities) budgets for consideration by the General Assembly.

For capital improvements, the State has generally relied on a pay-as-you-go policy financed with General Fund balances. As a result, needed capital improvements are delayed until fund balances are available; the State's long-term capital needs are not identified or addressed systematically; and it is nearly impossible for the State to plan for or manage its capital assets. We recommend that the General Assembly:

- Change the budget process to focus on results, by presenting proposed expenditures by program, establishing a small number of line items that identify the objectives of proposed areas of expenditure, and including a section in the budget document that presents planned expenditures according to State goals.
- Modify procedures to eliminate separate consideration of continuation and expansion budgets. The current division in the system heavily weights appropriations to existing programs contained in the continuation budget, as opposed to emerging needs addressed in the expansion budget.
- Create specific incentives for program managers to reduce expenditures. Expand the single sum appropriation pilot program to other agencies, replace line item expenditure with program expenditure control, and allow line item transfers between programs of up to 5% of the appropriation.
- Restructure the capital budgeting process to include a comprehensive analysis of the State's capital needs, including a policy for identifying alternative financing strategies for capital projects.
- Earmark from 1.5-3% of the current replacement value of capital facilities (\$60-\$123 million in 1991) for renovation and repair of State buildings, and require the executive branch to establish a comprehensive capital management system that will justify annual capital expenditures.

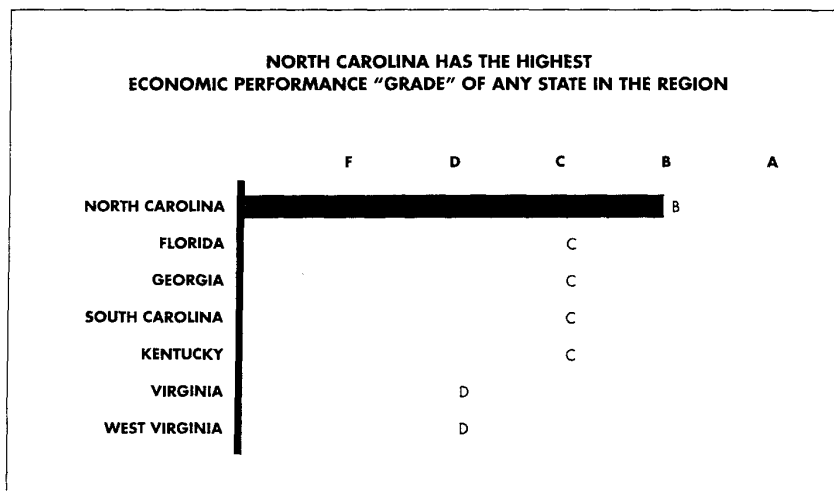
"Every 'special' program that's established should be thoroughly evaluated every two years to see if it's still needed."

State Employee
Survey Response

A GOVERNMENT THAT FOSTERS ECONOMIC DEVELOPMENT

Economic growth adds up to benefits for everyone. A growing economy produces more jobs, more jobs produce more tax revenues, and more tax revenues produce the funds to provide needed services across the State.

North Carolinians have prided ourselves, with good reason, on our ability to support economic development by leveraging government resources in



(EXHIBIT 21) Source: Corporation for Economic Development, 1992 Development Report Card for the States

*"We're doing well
in economic
development.
However, we want
to do even better."*

Judy Harrison
Charlotte

partnership with the private sector. We have been uniquely successful in bringing together the State, business and industry and our universities to weave a transportation system, educational network and other cooperative ventures that make up the internal fabric of the State.

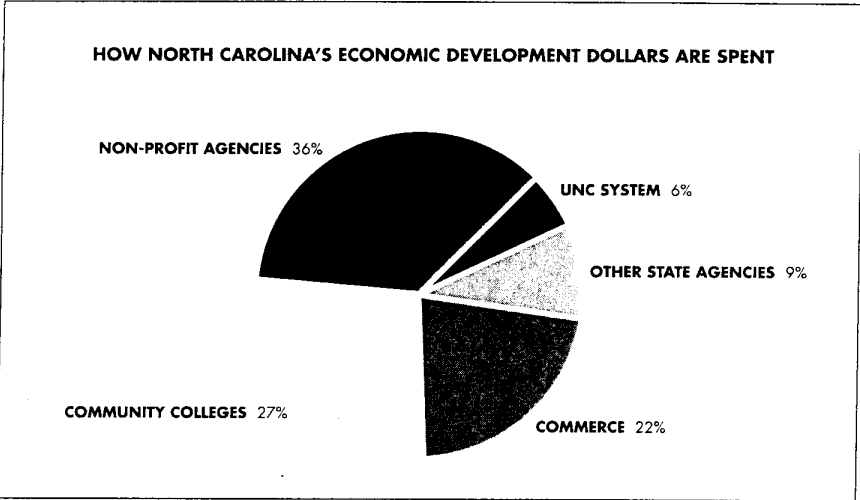
The Research Triangle Park is one example. Business and government leaders of the 1950s laid the groundwork for what has grown into the world's largest planned research park—now a national and international model. Other collaborations have led to the creation of four special purpose non-profits, including the Rural Economic Development Center, the Technological Development Authority, the Microelectronics Center of North Carolina (MCNC) and the North Carolina Biotechnology Center.

North Carolina's favorable business climate has also led to success in attracting business from other states, retaining existing operations and creating new businesses here. According to the February, 1992 issue of *Site Selection*, the State ranked second in the nation in the number of new and expanded corporate facilities. When compared to other Southern states we are number one in economic performance, based on the 1992 Development Report Card for the States prepared by the Corporation for Enterprise Development.

However, as with the other major themes in our report, today and in the future this may not be enough. New challenges, new demands and rapid changes in society are pressing us to think about economic development in new ways. The Government Performance Audit Committee accepts as a given that it is essential for North Carolina to continue building a good environment for business and attracting new business to the State, and in this section offers several recommendations designed to accomplish our goals.

**New challenges,
new demands
and rapid
changes in
society are
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think about
economic
development in
new ways.**

First and foremost is the need for an integrated economic development strategy. Our Committee found that there are about 40 programs and entities that fly the flag of economic development in a dozen State agencies. While several of these work cooperatively, too often it's the opposite—the right hand doesn't know what the left is doing. This fragmentation results in difficulties for the clients we are trying to serve.



(EXHIBIT 22)

Source: Office of State Budget and Management

Education trains the workforce of today and tomorrow and provides the most important raw material—skilled people—that companies are seeking.

The State invests substantially in economic development, with total expenditures amounting to over \$90 million. The majority of these expenditures were made by the community colleges and non-profits in fiscal year 1992:

Community College System	7 programs	\$30.1 million
Special Purpose Non-profits	3 centers	30.1 million
Department of Commerce	12 programs	18.7 million
University of North Carolina System	12 programs	4.7 million
Other State Agencies	5 entities	7.6 million

“Economic development is an octopus with many tentacles.”

To maximize the return on our investment, there must be an overall State strategy coordinated by a clearly identified lead agency, and a sense of how the various parts of the economic development puzzle interact with each other.

State Employee Survey Response

At the same time, we must remember that the most important linkage between government and economic development today is the education system. Education trains the workforce of today and tomorrow and provides the most important raw material—skilled people—that companies are seeking. Our recommendations in this section and in *An Educated Society Prepared to Meet Its Future* suggest a series of actions that will harmonize and synchronize the State's education strategy with our economic development strategy.

Ultimately, worker training and job creation not only support business and industry, but improve the quality of life here. When people have jobs, they are less likely to need other costly State resources, such as social services, Medicaid, and the most expensive of all—prison.

To build on the State's strength in economic development and plan for a prosperous future, our Committee suggests the following:

RECOMMENDATION 16: *Establish a high level Economic Development Council to chart the State's course.*

The State has built a solid foundation in economic development, but we can strengthen it further through effective planning. Creating a governing body with authority to recommend policy and the allocation of funds will enable the State to take a leadership role in establishing incentives that stimulate economic development and in improving major linkages with business, such as education and transportation. We recommend that the General Assembly:

- Establish an Economic Development Council with policy-making authority to guide development and review of a statewide plan for economic development. The Economic Development Council would replace the current Economic Development Board, which serves strictly in an advisory capacity.
- Involve all key players in economic development activities in the planning process, to build ownership in carrying out the plan.
- Grant the Economic Development Council the authority to recommend policy and allocations of economic development appropriations.
- Designate the Department of Commerce as staff to the Economic Development Council in developing the plan. Assign the Department responsibility for conducting a needs assessment of the State's strengths, weaknesses and opportunities on which to base the plan.
- Revise the General Statutes to require that a statewide plan for economic development be developed and updated on a regular basis.
- Include as part of the plan objectives that are quantifiable and time specific, to serve as performance indicators in assessing results.

RECOMMENDATION 17: *Coordinate economic development programs under the umbrella of a designated lead agency.*

North Carolina's economic development programs cover the full range of necessary activities, but because they are dispersed among many programs in various agencies, they can create confusion and conflict—and don't take full

**We need to
reduce the
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our economic
delivery system
to make it more
"user friendly"
to customers.**

*"The kind of
problems we saw
can only be fixed
by having one
entity in charge of
economic
development."*

John F. McNair, III
Winston-Salem

advantage of available resources. For example, if an agribusiness wanted to relocate here, it would be unclear whether the initial contact point would be the Department of Agriculture or the Department of Commerce. We need to reduce the fragmentation of our economic delivery system to make it more “user friendly” to customers. We recommend that the General Assembly:

- Designate the Department of Commerce as the lead agency for recruitment, retention and expansion of industry and tourism.
- Define and assign a primary role in implementing workforce preparedness programs to higher education. Assign a primary role in planning and coordinating workforce preparedness in the Department of Labor.
- Define and assign an agribusiness focus in the Department of Agriculture, in support of the Department of Commerce.
- Conduct business creation activities through the special purpose non-profits.

RECOMMENDATION 18: *Continue to use non-profits to deliver innovative economic development services.*

The State’s past experience shows that it is in the non-profit environment that entrepreneurial activity can be most appropriately conducted, the typical constraints of government overcome, and considered risks taken. This unique role allows special purpose non-profits to effectively leverage State investments with private dollars and to help build our economic capacity without adding to the bureaucracy. The primary disadvantage of non-profits is limited accountability.

The four special purpose non-profit centers created by the State in the 1980s have been extremely successful. The Rural Economic Development Center just received a \$2.2 million Ford Foundation grant; the Technological Development Authority has achieved self-sufficiency and no longer requires State funding to maintain current operations; the North Carolina Biotechnology Center is developing the technology to alter living organisms for the public good; and MCNC has been named one of five national testbeds in emerging high speed telecommunications technology. We recommend that the General Assembly:

- Continue to use special-purpose non-profits to deliver entrepreneurial services that enhance economic development.
- Develop performance-based contracts with non-profits, both to help the General Assembly objectively appropriate funds and to ensure accountability.

“What government does this October may not influence what happens in January. But the presence of government, what it does with services and resources, is absolutely essential to growth.”

Dr. Stephen Malcolm Gillis
Dean of Faculty,
School of Arts and Sciences, Duke University

- Foster greater coordination among the non-profits and other economic development entities, through the new Economic Development Council.
- Establish a goal of self-sufficiency for the Center for Microelectronics Systems Technology of MCNC and for the North Carolina Biotechnology Center's Economic Development Program and Institute for Biotechnology Information.

RECOMMENDATION 19: *Merge the regional offices of the Department of Commerce to focus resources and reduce costs.*

The Department of Commerce operates nine regional offices through its Business and Industry Division and seven regional offices through its Community Assistance Division. These offices are designed to serve as a liaison between the Department and local communities across the State. Many of their geographic areas, resources and functions overlap. Previous experience indicates that the regional offices are primarily supporting the State's corridor area, where such services are least needed. We recommend that the General Assembly:

- Consolidate the nine offices of the Business and Industry Division and the seven offices of the Community Assistance Division into three Department of Commerce regional offices.
- Direct the regional offices to place greater emphasis on rural and poorer areas.

"We used to do economic development by having more cotton mills. Now we do it by using our heads."

Henson P. Barnes
Former President
Pro Tempore of
the North
Carolina Senate

A GOVERNMENT THAT USES TECHNOLOGY WISELY

More and more, the business of government is information. If we want State employees to do their jobs better, we will have to make smarter use of information technology and telecommunications.

Technology is the tool that empowers our employees to use this information in meeting the needs of citizens. For most North Carolinians, the primary interaction with the State is through information systems, whether it's to get a driver's license, search for a job, file for benefits or pay taxes.

Too often, there are inefficiencies and inaccuracies in the way such information is handled. Much of the State's information still gets recorded on paper, which makes it difficult and time consuming to store, move and retrieve. Doing business this way requires citizens to go through some of the same processes repeatedly, resulting in redundant or inconsistent information stored in many locations.

The State could get by with these limitations in the past, but not any longer. With the volume of information expanding and the capacity of technology exploding, North Carolina is experiencing a dramatic increase in the number of employees who depend on information technology to do their jobs, and more importantly, the number of citizens who rely on it for fundamental services.

INCREASING PACE OF CHANGE: TIME TO TRANSMIT CONTENTS OF THE LIBRARY OF CONGRESS		
YEAR	DATA CAPACITY	TRANSMISSION TIME
	40 bits/second*	158,000 years
	9,600 bits/second	661 years
	56,000 bits/second	113 years
	45 million bits/second	53 days
	Estimated 1 billion bits/second	51 hours

*Bit is the basic unit of data communication.
It describes how much information is transmitted in a period of time.

"Time is money."

Benjamin
Franklin

(EXHIBIT 23)

Source: Microelectronics Center of North Carolina

As a result, the number of State users of information technology has climbed rapidly, pushing up costs as well. State appropriations grew to \$97 million in fiscal year 1991 to fund statewide operations of information technology and telecommunications across all three branches of government (excluding the campuses of the University of North Carolina and the Community College system). This funded over 900 Information Resource Management positions and supported operation of:

- 7 mainframe computers
- 170 mid-range computers
- 8,000 personal computers
- 24,000 terminals
- 6 telecommunications networks

Despite this large inventory, the agencies' demands and needs for additional investment in information technology far exceed the State's resources. The Government Performance Audit Committee believes that meeting the challenges of the future will depend on the State's ability to prioritize needs, allocate funds to address these needs and manage its investments wisely.

North Carolina recognized the need for leadership in this area and created the State Information Processing Service (SIPS) in 1983 to share resources, control costs and improve quality. Our Committee found that while SIPS has

**Technology is the
tool that
empowers our
employees to
use information
to meet citizens'
needs.**

made some notable contributions, the State's information technology services across all agencies are not uniformly meeting the needs for technical support and access to information resources. Problems have been noted; SIPS has been reviewed eight times since 1986 to improve management practices.

On the other side of the technology equation is telecommunications, the process of moving information and video images. Transferring information requires a connection, like a telephone line, from one mainframe, personal computer or terminal to another. The lines that make that possible form the network.

Telecommunications is essential to the State's ability to support local offices, such as in the Division of Social Services or Division of Motor Vehicles, so that information can be processed at outlying locations and moved back and forth. These large networks require planning and coordination.

The State is currently paying for six physically separate networks operated by State Telecommunications Services, the Administrative Office of the Court, Microelectronics Center of North Carolina, North Carolina Center for Public Television and the University of North Carolina Education Computing Service. The Departments of Justice, Transportation and Public Instruction also run independent network management functions. The multiple networks cost at least \$35 million annually, and demand is growing.

Telecommunications technology has a particular bearing on education. The increasing ability to transfer video images as well as voice and data makes "distance learning" possible, by bringing specialized teachers to remote locations through two-way interactive video classrooms. Our Committee is excited about the potential of distance learning to let high quality education penetrate the State to its farthest regions, providing equitable opportunity independent of physical location.

We see technology as a means, not an end in itself. Its real value to the State lies in what we do with it. The Government Performance Audit Committee has identified a total of 140 specific recommendations we believe will harness the power of technology to work for us. They are presented in brief here:

RECOMMENDATION 20: *Restructure governance over information technology and telecommunications to assure prudent management and accountability.*

The State's information technology needs cross many agencies and departments, while telecommunications goes beyond, to universities, community colleges, schools and hospitals. Orchestrating the use of technologies to meet service obligations and fiscal responsibilities requires

"Technologies that are emerging today will give us the ability to explore, convey and create knowledge as never before. This has enormous implications for us as individuals, as well as for our institutions."

John Scully
Chairman,
Apple Computer

strong, coordinated management. To achieve these goals, the agencies must share a positive stake in the governance of these technologies.

The management of North Carolina's information technology and telecommunications resources has not achieved what we want it to. SIPS has not fully satisfied its client agencies. It has failed to provide adequate support outside the IBM mainframe arena, lacked a customer service orientation, and set billing rates that accumulated excessively high reserves. The Information Technology Commission (ITC) is often ignored by agencies undertaking major technology initiatives. We recommend that the General Assembly:

- Restructure the ITC to create an Information Resource Management Commission (IRMC) with broader powers. Designate the Deputy Controller for Information Resource Management as Executive Branch Chief Information Officer, with responsibility and authority to coordinate information resource management in the executive branch. (These recommendations were enacted by the General Assembly in 1992.)
- Continue the transformation of SIPS into a client service-oriented organization, initiated with its internal reorganization in February, 1992. Incorporate a client marketing function, develop and report on performance measurements that are meaningful to clients, restructure billing practices to help clients manage their costs, and develop staff technical skill in additional areas.
- Authorize the SIPS Advisory Board, which has representation from each agency, to advise and approve SIPS' policies, service levels and billing rates.
- Establish an IRM Advisory Board with representation from each agency to get the users' community directly involved in the successful implementation of technology.
- Create a Telecommunications Advisory Board, similar to the new SIPS Advisory Board, to advise and approve statewide telecommunications policies, service levels and billing rates.

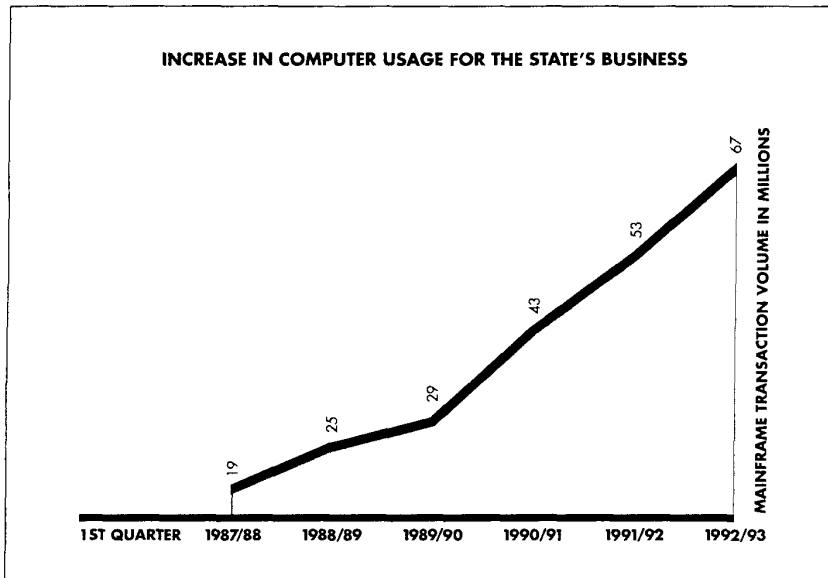
RECOMMENDATION 21: *Reconstruct the planning process for technology to chart and achieve clearly defined goals.*

The creation of new applications of technology takes significant effort, time and money. To take full advantage of our limited resources, this technology needs to be carefully planned. The State does not perform adequate planning for information technology, either at the agency level or statewide. The governance structure cannot do its job of statewide planning without more detailed planning at the agency level.

"We need to separate telecommunications technology and the programming that rides over that technology. They are two distinctly separate entities."

Jane Smith
Patterson
Vice Chancellor,
UNC-Wilmington

"Distance learning" has the potential to let high quality education penetrate the State to its farthest regions.



(EXHIBIT 24)

Source: State Telecommunications Services

North Carolina first began to link its program planning and agency budgeting processes in 1991. This is an important prerequisite to effective technology planning, but there is still a gap between technology planning and the program plans that are to be supported. We recommend that the General Assembly:

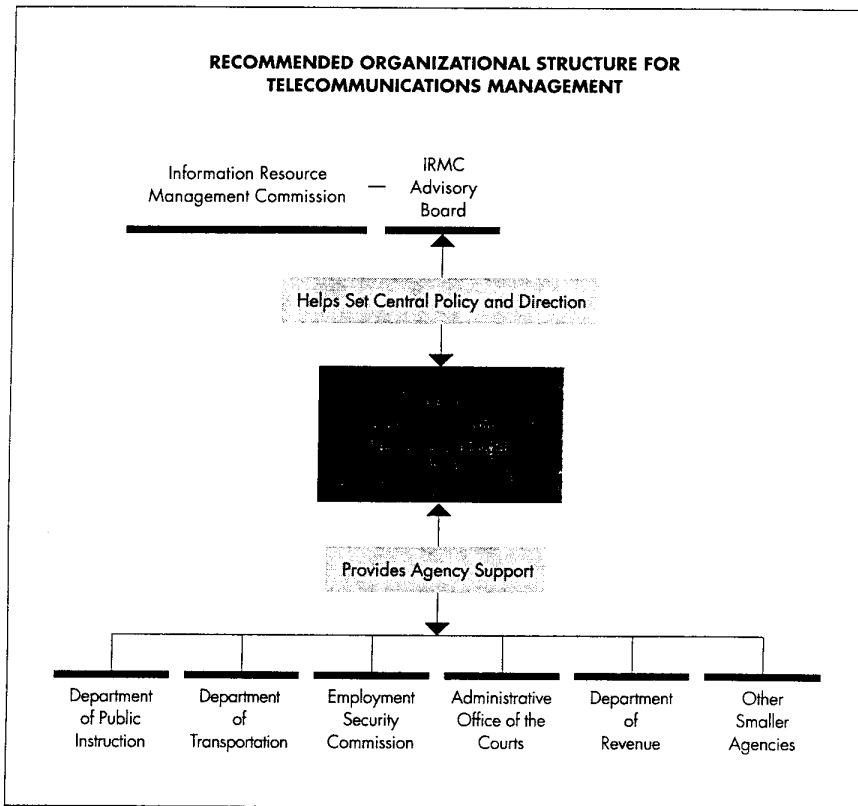
- Involve agency IRM managers in program planning as a basis for developing technology plans, to ensure that technical plans are being driven by the programmatic needs of the agency, not just changes in technology.
- Coordinate plans across agencies by having the IRM section in the Office of the State Controller review individual plans and determine how to benefit from leveraging them. Consider possibilities for collectively undertaking projects that no one agency could undertake alone.

RECOMMENDATION 22: *Consolidate multiple telecommunications networks to improve services and reduce costs.*

Telecommunications is the information highway of the 1990s, providing access to vital resources from the mountains to the coast. Different entities in North Carolina operate completely separate networks, which means that the State is paying for overlapping services. Our Committee found that the lack of centralized governance, operations and funding has resulted in redundant facilities, incompatible technologies and the absence of a statewide strategic plan. Current network operations statewide cost approximately \$35 million

The creation of new applications of technology takes significant effort, time and money. To take full advantage of our limited resources, this technology needs to be carefully planned.

annually. Consolidation should reduce direct network costs: other large organizations have achieved savings of as much as 20% on the affected network through consolidating telecommunications resources.



(EXHIBIT 25)

The demand for video transmission is growing rapidly. North Carolina is one of 11 states pursuing distance learning, and one of five states exploring two-way interactive video. SIPS estimates that today at least 80% of current network traffic is voice, and the rest is data. But distance learning, video teleconferencing, geographic information systems and imaging applications are expected to drive the demand for video transmission to 50% or more of network utilization in the future. North Carolina needs to begin planning now for increasing capacity and reducing costs. We recommend that the General Assembly:

- Evaluate consolidating the six physical networks into four to increase efficiency and reduce costs. Fold the University of North Carolina Education Computing Service wide area network into the State Telecommunications Services and Microelectronics Center of North Carolina as appropriate. Fold Administrative Office of the Court's wide area network into the State Telecommunications Services if it will realize a meaningful cost savings.

Telecommuni-
cations is the
information
highway of the
1990s, providing
access to vital
resources from
the mountains to
the coast.

*"We do not have to
wire the whole
State with fiber
optics. We can do
a lot more with
what we have now,
without a lot of
money."*

James Goodmon
Raleigh

- Evaluate consolidating network facilities, services and management wherever practical. Promote continued sharing of facilities between APT and North Carolina Center for Public Television through increased connectivity.
- Establish centralized governance over the consolidated networks. This should apply to the networks only as transport; all applications should remain under control of current governance structures.
- Create a Director of Statewide Telecommunications, analogous to the Deputy Controller for IRM, to provide functional oversight and coordination to the managers of the four consolidated networks. Responsibilities include developing a statewide strategic plan for approval under the governance structure.
- Create a Telecommunications Advisory Board, similar to the new SIPS Advisory Board, to represent all paying network users and provide user-oriented direction to the four consolidated networks.
- Direct the Telecommunications Advisory Board to pursue the statewide implementation of a broadband network.

AN EDUCATED SOCIETY PREPARED TO MEET ITS FUTURE

The Government Performance Audit Committee found that people in North Carolina care deeply about education, as well we should. Education is our most important State-supported activity and offers the fundamental resolution to all of our problems.

Our commitment is reflected in our many major successes in education:

- A nationally recognized system of higher education
- Innovative programs, such as the North Carolina School of Science and Mathematics and the North Carolina School of the Arts
- First-rate training initiatives in the State's extensive community college system
- The Basic Education Plan (BEP), which provides positions to support curricula guidelines
- The School Improvement and Accountability Act of 1989 (Senate Bill 2), which provides more flexibility for individual school districts

However, we still have a long way to go, as evidenced by the following measures of performance:

*"Nothing except
ignorance is more
costly than
education."*

Governor
Charles B. Aycock
1912

- North Carolina's standing on the SATs was 49th in 1991, down from 48th in 1983
- Nearly three out of 10 young people drop out of school before graduation
- An estimated one in five high school graduates requires remedial work in mathematics or language to pursue higher education

The consensus opinion of our Committee is that whatever the State has done in the past, it will not be sufficient for the future. As we have been adjusting the system, the whole economic picture in North Carolina has changed, and what we're doing now won't get us where we want to be.

While the State has recognized the need for change to compete in a global economy, we have not been focused in our responses. Our Committee's principal concern is not that we haven't done enough, but that perhaps we have done too much. In our efforts and desires for quick solutions, we have overloaded the system. We have implemented every potential solution known to the nation's educational community—strategic planning, site-based management, differentiated pay, equalizing resources—but we haven't given these new approaches enough time to gel. We have changed directions so often, the principals, teachers and aides who provide our education services don't know which way to turn.

Part of the problem is the education governance structure, which has so many points of authority, no one is held accountable. There is no single "voice" of education in North Carolina to catalyze the focus we so desperately need.

On a larger scale, the problem of governance extends to the entire educational system. The General Assembly has directed, managed and funded the three systems—public education, community colleges and universities—as separate enterprises. This structural problem has manifested itself in three important ways:

1. There is no coherent vision for a continuum of program delivery from early childhood to post-doctoral and lifelong study
2. Radical differences in the three governance structures create major obstacles to coordinating policies and services
3. Three different funding mechanisms further limit cooperative efforts among the systems

The resulting gaps, breaks and overlaps in the flow of education delivery adversely affect the entire system, including:

"In most cases, it's not the student who's failing. It's the institution that's failing the student."

Senator
William N. Martin
Greensboro

Whatever the State has done in the past, it will not be sufficient for the future. What we're doing now won't get us where we want to be.

- Early childhood programs
- Public education
- Vocational training
- Teacher training
- Transfer and articulation in higher education
- Continuing education
- Technology transfer

Change is needed in the governance structures, but changing governance alone will not solve the State's problems. We must also overcome our history of low expectations. For example, when the Basic Education Program defined minimum curricula, these quickly became the standard. We have accepted the lack of technology in our schools, the inadequacy of rural education, the poor performance of our students.

When parents, citizens and communities refuse to accept the status quo and demand better from our schools, colleges and universities, we will see results. It is up to every one of us.

The Government Performance Audit Committee believes we can change the shape of our future if we:

RECOMMENDATION 23: *Create a new conceptual design for all education programs and services to meet the needs of North Carolina in the 21st century.*

One of the greatest problems the State has in education is the lack of continuity among our three education systems. These independent systems—for public schools, community colleges and universities—are mandated to meet the needs of their own constituencies. However, many of the major education issues of the 1990s require intersystem solutions. For example, preparing the best trained teachers for our children requires cooperation between the universities where teachers are taught and the schools where they will teach. Vocational education begins in high school and continues in the community colleges. Remediation—helping high school graduates who need assistance to succeed in further education—concerns both community colleges and universities. The lack of funding for preschool education ultimately has an impact on all three systems.

The systems need to be linked, in philosophy as well as in programs, to define and attack common needs. This calls for a new conceptual design for all education programs and services, specifically created to meet the needs of the 21st century. We recommend that the General Assembly:

- Mandate this responsibility to a small, high level task force of education and community leaders, which reports to the Education Cabinet.

“North Carolina’s program of public education, from the kindergarten to the Graduate School of the University should be planned and administered as a coordinated system.”

Report of the
State Education
Committee
December 1, 1948

One of the greatest problems the State has in education is the lack of continuity among our three education systems.